

# **HOME-ARP Pre-Application Workshop**

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City of Columbia

Tuesday October 26, 2021

# Pre-Application Workshop Outline

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- HOME-ARP Background
- Funding Process Timeline
- Consultation Process & Public Engagement
- Request for Proposals
- Letters of Intent
- Qualifying Populations
- Eligible HOME-ARP Activities

# HOME-ARP Background

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- March 11, 2021- President Biden signed the American Rescue Plan (ARP) into law. \$1.9 Trillion in relief to address the continued impact of the COVID-19 Pandemic.
- Congress appropriated \$5 billion in ARP funds to be administered through HOME.
- The City of Columbia has been awarded \$2,161,654 million in HOME-ARP funding.

# Funding Process Timeline

- October 11- Consultation questions sent to community agencies.
- October 26- Pre-Application Workshop.
- November 1- Consultation responses due.
- November 3- HCDC Public Information Meeting- 7pm- Council Chambers.
- November 8- Request for Proposals released.
- November 19- Letters of Intent Due- 11:59pm.
- December 6- Request for Proposals due- 11:59pm.
- December 15- HCDC Meeting to hear HOME-ARP Project Proposals- 7pm Council Chambers.
- December 22- HCDC Meeting to finalize funding recommendations- 7pm Council Chambers.
- February 7, 2022- City Council to consider HCDC recommendations.
- Spring 2022- Environmental Reviews to be completed.
- Spring 2022- Agreements signed and funds become available.

All Dates are Subject to Change

# Consultation & Public Engagement

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- To assist in identifying unmet needs and gaps in housing or service delivery systems, HUD has required the City to consult with local agencies which serve qualifying populations.
- Housing Program Division sent consultation questions to nearly 40 different local agencies on October 11. Responses are due by November 1.
- If your agency works with qualifying populations and did not receive an invitation to consult, please notify Housing Programs Staff.
- The Housing and Community Development Commission will hold a public engagement meeting on November 3, 2021 at 7:00pm in Council Chambers to hear from local agencies and citizens about HOME-ARP funding needs.

# Request for Proposals



- Request for Proposals will open November 8, 2021.
- Project proposals will be accepted through the Neighborly software portal. The portal will provide step-by-step directions on submitting the application along with required documentation.
- Letter of Intent to apply for HOME-ARP funding will be required and is due by Friday November 19, 2021- 11:59pm
- Project proposals must be submitted and be fully complete prior to 11:59pm on December 6, 2021.

# Letters of Intent

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- You must provide a letter of intent prior to 11:59pm on November 19, 2021.
- 100 word summary of the specific project that HOME-ARP is being requested.
- Includes the dollar amount you will be requesting
- Include the name, email, and phone number of the staff person responsible for submitting the application through Neighborly.
- Submit letters via email: [housingprograms@como.gov](mailto:housingprograms@como.gov)
- No late letters will be accepted .

# Letter of Intent- Example

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Housing Programs Division  
500 E. Walnut St. Suite 108  
Columbia, MO 65201

November 8, 2021

Dear Housing Programs Division Staff:

This letter is to inform you of our organization's intent to apply for HOME-ARP funds for Tenant Based Rental Assistance. We serve individuals at risk for homelessness with rental assistance, utility deposit assistance, security deposit assistance, and utility costs. We intend to apply for \$200,000 in HOME-ARP funds for additional support of our services.

John Doe is our grants manager and will be responsible for submitting our HOME-ARP application through the Neighborly portal. His email is [jdoe@example.org](mailto:jdoe@example.org) and his phone number is 573-123-4567. John will be contacting you to set up a time to review the online application.

Sincerely,  
Jane Doe  
Executive Director

# Qualifying Population

- HOME-ARP requires that funds be used to primarily benefit individuals and families in the following specified “qualifying populations.” Any individual or family who meets the criteria for these populations is eligible to receive assistance or services funded through HOME-ARP without meeting additional criteria (e.g., additional income criteria).
  - Homeless
  - At Risk for Homelessness
  - Fleeting or Attempting to Flee Domestic Violence, Sexual Assault, Stalking, or Human Trafficking
  - Other Populations

# Qualifying Population- Homeless

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- Homeless- an individual or family who lacks a fixed, regular, and adequate nighttime residence meaning:
  - Public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned buildings, bus or train station, airport, or camping ground;
  - Living in a supervised publically or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government for low income individuals);
  - Person exiting an institution where he/she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation before entering that institution.

# Qualifying Population- Homeless Cont.

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- Individual or Family who will imminently lose their primary nighttime residence provided that:
  - Will be lost within 14 days of application for homeless assistance.
  - No subsequent residence has been identified; and
  - Lacks resources or support networks
- Unaccompanied youth under 25 years of age or families with children and youth who do not otherwise qualify as homeless under this definition, but who:
  - Are defined as homeless under section 387 of the Runaway and Homeless Youth Act.
  - Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application.
  - Have experienced persistent instability as measured by two moves or more during the 60 day period immediately preceding the date of application.
  - Can be expected to continue in such status for an extended period of time because of chronic disabilities, physical or mental health conditions, substance abuse, domestic or child abuse, etc.

# Qualifying Population- At Risk of Homelessness

- Annual income below 30 percent of median family income for the area.
- Does not have sufficient resources or support networks.
- Meets one of the following
  - Moved for economic reasons two or more times during the 60 days preceding application for assistance.
  - Living in the home of another because of economic hardship.
  - Notified in writing that their right to occupy their current housing will be terminated within 21 days.
  - Lives in a hotel or motel and the cost is not paid by a charitable or governmental organization.
  - Lives in a single room occupancy or efficiency apartment unit in which there reside more than 2 persons.
  - Is exiting a publicly funded institution or system of care (health care facility, mental health, foster care, correction program, etc.)

# Qualifying Population- At Risk of Homelessness Cont.

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- A child or youth who does not qualify as homeless under this section, but qualifies as “homeless” under various sections of the following
  - Runaway and Homeless Youth Act
  - Head Start Act
  - Violence Against Women Act of 1994
  - Public Health Service Act
  - Food and Nutrition Act
  - Child Nutrition Act
  - McKinney Vento Homeless Assistance Act

# Qualifying Population- Fleeing or Attempting to Flee...

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- For HOME-ARP this population includes any individual or family who is fleeing or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking.
- This population includes cases where an individual or family reasonably believe that there is a threat of imminent harm from further violence due to dangerous or life threatening conditions that relate to violence against the individual or a family member, including a child that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit.

# Qualifying Population- Fleeing or Attempting to Flee...

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- Domestic Violence- 24 CFR 5.2003- includes felony or misdemeanor crimes of violence committed by:
  - Current or former spouse or intimate partner of the victim.
  - Person with whom the victim shares a child in common.
  - A person who is cohabitating with or has cohabitated with.
  - A person similarly situated to a spouse or victim under the domestic violence laws of the jurisdiction receiving HOME-ARP funds.
  - Any other person against an adult or youth victim who is protected from that person's acts.

# Qualifying Population- Fleeing or Attempting to Flee...

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- Dating Violence- 24 CFR 5.2003- means violence committed by a person
  - Who is or has been in a social relationship of a romantic or intimate nature with the victim and...
  - Where the existence of such a relationship shall be determined based on a consideration of the following factors;
    - The length of the relationship
    - The type of relationship
    - The frequency of interaction between the persons involved in the relationship

# Qualifying Population- Fleeing or Attempting to Flee...

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- Sexual Assault- Means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.
- Stalking- Engaging in a course of conduct directed at a specific person that would cause a reasonable person to
  - Fear for the person's individual safety or the safety of others.
  - Suffer substantial emotional distress.
- Human Trafficking- includes both sex and labor trafficking
  - Sex Trafficking- recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act.
  - Labor Trafficking- recruitment, harboring, transportation, provision, or obtaining of a person for labor or services.

# Qualifying Population- Other Populations

- Other families requiring services or housing assistance to prevent homelessness- currently housed due to temporary or emergency assistance, including financial assistance, temporary rental assistance, or other type of assistance allowing the household to be housed.
- Greatest Risk of Housing instability- either
  - a. Annual income less than or equal to 30% of area median income, or:
  - b. Meets one of the following:
    - Moved for economic reasons two or more times during the 60 days preceding application for assistance.
    - Living in the home of another because of economic hardship.
    - Notified in writing that their right to occupy their current housing will be terminated within 21 days.
    - Lives in a hotel or motel and the cost is not paid by a charitable or governmental organization.
    - Lives in a single room occupancy or efficiency apartment unit in which there reside more than 2 persons.
    - Is exiting a publicly funded institution or system of care (health care facility, mental health, foster care, correction program, etc.)

# HOME-ARP Eligible Projects- Non-Congregate Shelter (NCS)

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- HOME-ARP funds may be used to acquire and develop non-congregate shelter for individuals and families that meet one of the defined Qualifying Populations (QP)
- NCS provide private units or rooms as a temporary shelter to individual and families and do not require occupants to sign a lease or occupancy agreement.
- May include
  - Construction of a new structures or the acquisition and/or rehabilitation of existing structures (such as motels, nursing homes, or others)

# HOME-ARP Eligible Projects- Non-Congregate Shelter (NCS)

- Eligible Activities and Costs
  - Activities- acquire, rehabilitate, or construct NCS units to serve individuals and families that are QP's.
  - Costs
    - Acquisition Costs- acquire improved or unimproved property to use as NCS.
    - Demo Costs- Demo existing structure for purpose of developing NCS.
    - Development Hard Costs- Rehab or construct NCS units to meet minimum HOME standards.
    - Related Soft Costs- Costs associated with financing, acquisition, and development.
    - Replacement Reserves- Costs to capitalize a replacement reserve to cover costs of major systems.
    - Ineligible Costs- may not use HOME-ARP for ongoing operating costs or to convert NCS to permanent housing.

# HOME-ARP Eligible Projects- Non-Congregate Shelter (NCS)

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- Admission and Occupancy
  - Only occupied by families and individuals that meet one or more QP's.
  - May not be charged occupancy fees or other charges to occupy a NCS unit.
  - Supportive Services may also be provided if needed to QP's served by the NCS.

# HOME-ARP Eligible Projects- Non-Congregate Shelter (NCS)

- Project Requirements
  - Property Standards
    - Must meet all State and local codes, ordinances and requirements.
    - Must meet HUD Lead Safe Housing rules.
    - Must meet all property standards throughout the restricted use period.
  - Restricted Use
    - Must comply with NCS requirements during restricted use period
      - New Construction- 15 years
      - Rehab- 10 Years
      - Acquisition Only- 10 Years

# HOME-ARP Eligible Projects- Non-Congregate Shelter (NCS)

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- Use as NCS- may be used as NCS during restricted use or may be used as NCS under the Emergency Shelter Grant.
- Conversion to Housing- ARP permits HOME-ARP NCS units to be converted into permanent housing under the CoC program or permanent affordable housing during the restricted use period in accordance with the following requirements:
  - Must be operated for a minimum period of time prior to conversion.
  - During restricted period but only after the HOME-ARP NCS minimum use period, we may provide written approval to convert the project to permanent affordable housing.
  - CoC Permanent Housing- during restricted period but only after HOME-ARP minimum use period as been met you may convert under CoC regulations.

# HOME-ARP Eligible Projects- Nonprofit Operating & Capacity Building Assistance

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- City may use up to 5% of the HOME-ARP allocation for operating expenses of CHDO's and other nonprofit organizations who are carrying out HOME-ARP activities.
- An additional 5% may be used to pay eligible costs related to developing the capacity of eligible nonprofit organizations to successfully carry out HOME-ARP eligible activities.
- Operating and Capacity Building Assistance may be awarded to a nonprofit organization if the City can reasonably expect to provide HOME-ARP funding for eligible activities within 24 months.

# HOME-ARP Eligible Projects- Nonprofit Operating & Capacity Building Assistance

- Operating Costs- Defined as reasonable and necessary costs of operating the nonprofit organization. Costs include
  - Employee Salaries, wages, and other compensation and benefits
  - Employee education, training, and travel
  - Rent
  - Utilities
  - Communication Costs
  - Taxes
  - Insurance
  - Equipment, materials, supplies
- Must be used for “general operating costs”
- Must NOT have a particular final cost objective such as a project or activity. Not be directly assignable to a HOME-ARP activity or project
- Example- May not use HOME-ARP operating expenses for staffing costs to provide supportive services for HOME-ARP rental housing.

# HOME-ARP Eligible Projects- Nonprofit Operating & Capacity Building Assistance

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- Capacity Building Assistance- Reasonable and necessary general operating costs that will result in expansion or improvement of an organizations ability to successfully carry out eligible HOME-ARP activities. Costs Include
  - Salaries for new hires including wages and other employee compensation and benefits.
  - Employee training or other staff development that enhances an employees skill set and expertise.
  - Equipment (computer software or programs that improve organizational processes), upgrade to materials or supplies.
  - Contracts for technical assistance or for consultants with expertise related to the HOME-ARP qualifying populations.

# HOME-ARP Eligible Projects- Tenant Based Rental Assistance

- HOME-ARP funds may be used to provide tenant based rental assistance to individuals and families that meet one of the QP's.
- Because HOME-ARP TBRA is attached to the qualifying household and not a particular rental unit, the household may choose to move to another unit with continued assistance as long as the new unit meets the applicable property standard.
- Eligible Costs
  - Rental Assistance
  - Security Deposit
  - Utility Deposit
  - Utility Payments
  - May be used for up to 100% of these costs for a qualifying household

# HOME-ARP Eligible Projects- Tenant Based Rental Assistance

- Project Requirements
  - HOME-ARP TBRA must be utilized within the City limits of Columbia or Boone County.
  - Maximum term of HOME-ARP assistance contract is 12 months with a possibility of a one time renewal of an additional 12 months.
  - Subsidies to HOME-ARP TBRA eligible households may be provided up to 100% of rent, security deposits, and utility payments.
  - Contract rent must be determined to be reasonable in comparison to rent for other comparable unassisted units.
  - Housing must comply with all Housing Quality Standards (HQS) unless the unit is an existing HOME or HOME-ARP unit in which case the initial and ongoing inspections standards may be used.
  - A HOME-ARP sponsor who is a nonprofit organization that provides housing or supportive services to qualifying households may facilitate the leasing of a HOME-ARP rental unit or the use and maintenance of HOME-ARP TBRA. A sponsor may make rental subsidy payments and a security deposit payment on behalf of a qualifying household.

# HOME-ARP Eligible Projects- Supportive Services

3 categories specifically included as supportive services under HOME-ARP

- McKinney-Vento Supportive Services & Homelessness Prevention Services
  - Costs of Child Care
  - Costs of improving knowledge of basic educational skills
  - Costs of establishing and/or operating employment assistance and job training programs
  - Costs of providing meals or groceries
  - Costs of assisting eligible program participants to locate, obtain, and retain housing
  - Costs of certain legal services
  - Costs of teaching critical life management skills
  - Financial assistance costs including- rental application fees, security deposits, utility deposits, rental arrears
- Costs of services are only eligible to the extent that the assistance is necessary to help participants regain stability in their current permanent housing or move into other permanent housing to achieve stability.
- Documentation required to support the use of supportive services.

# HOME-ARP Eligible Projects- Supportive Services

- Housing Counseling Costs- may only be paid by HOME-ARP if services are provided by HUD-certified housing counselors and organizations.
- Costs Include
  - Staff salaries and overhead costs of HUD certified housing counseling agencies related to directly providing eligible housing counseling services to HOME-program participants
  - Development of a housing counseling work plan
  - Marketing and outreach
  - Intake
  - Financial and housing affordability analysis
  - Action plans that outline what the housing counseling agency and the client will do to meet goals
  - Follow up communication with participants.
- Costs for the provision of services to existing homeowners related to homeownership and mortgages to existing homeowners are NOT eligible under HOME-ARP.
- If a participant is a candidate for homeownership, costs associated with purchase home buying counseling and outreach ARE eligible under HOME-ARP.

# HOME-ARP Eligible Projects- Supportive Services

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## Other Restrictions

- All supportive service costs paid for by HOME-ARP must comply with 2 CFR part 200 subpart E- Cost Principles that require costs be necessary and reasonable.
- HOME-ARP program participants are not allowed to receive any duplication of services that are also HOME-ARP funded.
- Assistance to a program participant may be terminated if a violation of any program requirements or conditions may occur.

# HOME-ARP Eligible Projects- Rental Housing

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- HOME-ARP may be used to acquire, construct, and rehab rental housing for occupancy by individuals and families that meet a QP. HOME-ARP may be single or multi-family housing, transitional or permanent housing, group homes, single room occupancy units and manufactured housing.
- HOME-ARP may pay the entire amount of eligible costs associated with HOME-ARP rental units. No maximum per unit subsidy.
- For mixed-income housing units, up to 30% of the units funded with HOME-ARP may be restricted to households that are low-income.

# HOME-ARP Eligible Projects- Rental Housing

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## Eligible Activities

- Acquisition
- Construction
- Rehab
- Reconstruction
- Acquisition of vacant land or demolition may only be used with HOME-ARP if construction is expected to start within 12 months.

# HOME-ARP Eligible Projects- Rental Housing

Eligible Costs- may pay for up to 100% of the following

- Development hard costs include the actual cost of construction and rehab of housing to meet applicable property standards. Eligible development costs also include site improvements, utility connections, and costs to construct or rehab laundry and community facilities located within the same building as HOME-ARP housing.
- Refinancing of existing debt secured by a HOME-ARP rental project rehabilitated with HOME-ARP funds.
- Acquisition costs of improved or unimproved real property.
- Related soft costs including reasonable and necessary costs incurred by the project owner associated with financing, development, acquisition, or rehab.
- Relocation costs as defined in 24 CFR 92.206(f)
- Certain costs related to the payment of construction, bridge, or guaranteed loans, if HOME-ARP is part of the original financing.
- Operating cost assistance through a capitalized operating reserve or ongoing operating cost payments, for HOME-ARP units restricted for occupancy by qualifying households.

# HOME-ARP Eligible Projects- Rental Housing

## Beneficiary Requirements

- HOME-ARP must primarily benefit individuals and families that meet one of the qualifying populations. No more than 30% of the total number of rental units assisted with HOME-ARP funds may be occupied by low income households as defined in 24 CFR 92.2.
- At initial occupancy and each subsequent year during the minimum 15 year compliance period, annual income and household rent contribution must comply with HOME-ARP regulations.
- Annual income definition is used from 24 CFR 5.609.
- Tenant contribution to rent must not be more than what is deemed affordable based on the household income.

# HOME-ARP Eligible Projects- Rental Housing

## Project Requirements

- Targeting & Occupancy- no less than 70% of the total number of rental units assisted with HOME-ARP funds must be restricted to occupancy by households that are qualifying households as the time of the initial occupancy. No more than 30% of the total number of rental units associated with HOME-ARP funds may be restricted for occupancy by low income households
- A household that met the definition of one or more qualifying populations at initial occupancy remains a qualifying household throughout their period of occupancy irrespective of changes in income or whether they continue to meet a qualifying population definition.

# HOME-ARP Eligible Projects- Rental Housing

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## Project Requirements

- HOME-ARP rental units must comply with all rental property standards.
- HOME-ARP rental units must comply with HOME-ARP rental requirements for a minimum of 15 years, irrespective of the amount of HOME-ARP funds invested in the project or the activity undertaken.

# HOME-ARP Eligible Projects- Rental Housing

## Rent Limitations

- Units restricted for occupancy by Qualifying Households
  - Rent may not exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area (Low Home).
- Units restricted for occupancy by Low Income Households
  - Rental units restricted for low income must comply with 24 CFR 92.252(a)
    - Rent limitation (High HOME Rents) lesser of
      - Fair market rent for existing housing for comparable units in area; or
      - Rent that doesn't exceed 30 % of adjusted income of family whose annual income equals 65% of median income for area.
- Single Room Occupancy (SRO)
  - If an SRO has both sanitary and food prep facilities, the max HOME-ARP rent is based on 0 bedroom fair market rent. If only sanitary facilities, max HOME-ARP rent is 75% of 0 bedroom fair market rent.

# HOME-ARP Eligible Projects- Rental Housing

- Changes in Income and Over Income
  - Qualifying Households
    - If annual income at time of recertification is above 50% of median income for area but below 80 percent of median income for area, must pay rent according to 24 CFR 92.252(a)
  - Low Income Households
    - A low income household whose income is above 80% of median income for area must pay rent that complies with 24 CFR 92.252(i)(2)
      - Must pay lesser of 30% of family adjusted gross income; or
      - Amount payable by tenant under state or local law.

# HOME-ARP Eligible Projects- Rental Housing

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- Lease & Tenant Protections
  - Each household that occupies a HOME-ARP assisted unit must execute a lease that complies with the tenant protection requirements.
- Coordinated Entry
  - Project owner may use a CoC Coordinated Entry and other referral sources; or
  - Project specific waitlist to selecte qualifying households for HOME-ARP units restricted for occupancy by qualifying households.
  - Project specific waitlist for low income households to occupy units restricted for occupancy by low income households.

# HOME-ARP Eligible Projects- Rental Housing

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- Underwriting & Subsidy Layering
  - Will establish guidelines for determining appropriate amount of HOME-ARP funds, including operating cost assistance provided to maintain the financial viability of the HOME-ARP project through the minimum 15 year compliance period.
- Enforcement of Rental Requirements
  - Deed restrictions, covenant running with land, legally binding agreements restricting the use of the property and recorded on the property in accordance with State recordation laws or other approved mechanisms approved by HUD will be used to ensure compliance.

# Housing Programs Division Staff

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## Key Dates

- November 3- Public Engagement Meeting
- November 19- Letter of Intent Due
- December 6- Project Proposal Due
- December 15- Project Presentations

## Questions? Staff Contacts...

- Gary Anspach- Housing Programs Manager
- Jacob Amelunke- Sr. Housing Specialist
- Darcie Clark- Housing Specialist
- Nikki Haigh- Administrative Tech

500 E. Walnut St. Suite 108

Columbia, MO 65201

573-874-7288

Email: [housingprograms@como.gov](mailto:housingprograms@como.gov)



city of

**Columbia**